APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DECIDED JUNE 4, 2003

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

02-1184, -1185

ALAN WANER,

Plaintiff-Cross Appellant,

v.

FORD MOTOR COMPANY,

Defendant-Appellant.

DECIDED: June 4, 2003

Before NEWMAN, *Circuit Judge*, ARCHER, *Senior Circuit Judge*, and MICHEL, *Circuit Judge*.

Opinion for the court filed by *Senior Circuit Judge* ARCHER. Dissenting opinion filed by *Circuit Judge* NEWMAN.

ARCHER, *Senior Circuit Judge*.

DECISION

Ford Motor Company ("Ford") appeals the United States District Court for the District of South Dakota's order denying its motion for judgment as a matter of law that Ford does not

infringe United States Patent No. 5,613,710 ('710 patent). *See Waner v. Ford Motor Co.*, No. 98-5061-KES (D.S.D. Nov. 30, 2001) (Order Denying JMOL). Ford also appeals the award of attorney fees to Waner. *See Waner v. Ford Motor Co.*, No. 98-5061-KES (D.S.D. Nov. 30, 2001) (Order Granting Attorney Fees). Alan Waner ("Waner") cross-appeals the district court's partial summary judgment grant in favor of Ford on Waner's unjust enrichment claim. *See Waner v. Ford Motor Co.*, No. 98-5061-KES (D.S.D. Apr. 4, 2001) (Partial Summary Judgment Order). We reverse the denial of Ford's motion for JMOL on infringement; reverse the award of attorney fees to Waner; and affirm the denial on summary judgment.

BACKGROUND

The '710 patent discloses a fender liner for dual rear wheel trucks, commonly called "dually trucks." Waner designed the claimed fender liner to try and avoid the "star-cracking problem." When driving on dirt and gravel roads, dually tires can pick up rocks which strike the inner surface of the fenders. This can cause cracking in the paint on the outer surface of epoxy-fiberglass fenders. Such cracks are in the form of a star and are often called "star cracks." Ford F-350 dually trucks had fender liners that protected the front and back of the fender but not the top. To remedy this problem, Waner invented a metal liner retrofitted into the fender that protected the top of the fender from star cracks.

Waner sold his first pair of fender liners to Hotze Ford Motor of Salem, Illinois in October of 1994. Realizing that if one Ford dealer was interested in purchasing the fender

liners, others might also be interested, Waner pursued the matter with Ford Motor Company and was ultimately given a contact in Detroit. In early 1995, Waner contacted MacIsaac, a Ford employee, and told him of "his commercial success so far," and, in response, MacIsaac told Waner to get his patent work in order. Waner proceeded to file his application for a patent and send samples to Ford as requested.

Waner also sold fender liners to several Ford dealers and set up an exhibit at a horse show in Springfield, Illinois where "he approached a lot of people" trying to sell them fender liners. During this time, MacIsaac advised Waner that he had been transferred to another division and referred Waner to another Ford employee. Eventually a meeting was set up between Waner and Karlen, a Ford engineer. The two men met for over an hour, and at the conclusion of the meeting, Karlen told Waner that he would present Waner's liner at an upcoming meeting. Eleven days later, Karlen prepared a "concern detail" describing the star crack problem and proposed adding a liner as the solution. About two weeks later, Karlen told Waner that the meeting had been postponed when it had actually taken place. Karlen then informed Waner that he was no longer at liberty to discuss the matter with Waner and referred him to Ford's attorneys. Ford installed over 45,000 pairs of top liners on the 1997 model year F-350 dually trucks. Prior to installation these liners were simply sheets of flat plastic.

Waner sued Ford for "usurpment of an idea"/unjust enrichment and infringement of the '710 patent. Before trial, the district court granted partial summary judgment in favor of Ford on Waner's unjust enrichment claim. The case was

then tried to a jury which returned a verdict of infringement, and the trial court denied Ford's motion for JMOL on the infringement issue. The district court granted Waner's motion to make the case "exceptional" under 35 U.S.C. § 285 and awarded Waner attorney fees.

Ford appeals the denial of JMOL and award of attorney fees. Waner cross-appeals the trial court's partial summary judgment grant in favor of Ford on Waner's unjust enrichment claim. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).

DISCUSSION

Claim Construction

Claim construction is a question of law that this court reviews *de novo*. *See Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1456, 46 USPQ2d 1169, 1174 (Fed. Cir. 1998) (en banc). Claims 1 and 4 recite the language at issue, and claim 1 is illustrative:

> 1. A fender liner for a dual wheel fender, said fender formed of epoxy-fiberglass and having a substantially flat top, an inboard and an outboard side, said fender mounted on angled brackets along the top of the fender on the inboard side of the fender to a rear quarter panel of a vehicle with bolts through the angled brackets, said fender liner comprising
>
> *an elongated flat panel* formed of sheet material with *an inboard side flange, said flat panel*

running substantially the length and the breadth of the flat top and *suited to be installed* inside the fender along the flat top,

said fender liner adapted to be attached to the angled brackets along the inboard side flange of the fender liner by the bolts attaching the fender to the vehicle along the top of the fender

whereby the underside of the flat top of the fender is guarded against damage by rocks and other objects which may be hurled up against the flat top of the fender.

The district court interpreted "flange" to mean "the portion of a structure to either stiffen or attach it to another structure, not requiring the five-degree angle as described in the preferred embodiment, and not necessarily requiring any angles." *Waner v. Ford*, No. 98-5061-KES, slip op. at 10 (D.S.D Aug. 30, 2000) (Claim Construction Order). The court further found "that nothing in [claim 1], the specification, or the prosecution history requires that the flange exist prior to installation of the liner." We disagree with the district court's claim construction.

Claim construction begins with determining the ordinary and customary meaning, if any, that would be attributed to the term by those skilled in the art. *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1342, 60 USPQ2d 1851, 1854 (Fed. Cir. 2001). Dictionary definitions are useful in this process. *See Boehringer Ingelheim Vetmedica, Inc. v. Schering Plough Corp.*, 320 F.3d 1339, 1346, 65 USPQ2d

1961, 1965 (Fed. Cir. 2003) (citing *Tex. Digital Sys., Inc. v. Telegenix, Inc.*, 308 F.3d 1193, 1202-03, 64 USPQ2d 1812, 1818-19 (Fed. Cir. 2002)). As this court has explained,

> [b]y examining relevant dictionaries, encyclopedias and treatises to ascertain possible meanings that would have been attributed to the words of the claims by those skilled in the art, and by further utilizing the intrinsic record to select from those possible meanings the one or ones most consistent with the use of the words by the inventor, the full breadth of the limitations intended by the inventor will be more accurately determined and the improper importation of unintended limitations from the written description into the claims will be more easily avoided.

Tex. Digital, 308 F.3d at 1205, 64 USPQ2d 1820.

In this case, the term "flange" is not given a specific meaning in the intrinsic record. However, a dictionary definition is readily available: "flange, n. . . . 1. a raised or projecting edge, rib, or rim for strength, as in a T-rail; for guidance, as on a rail to keep wheels in place; for connection with some other object, as in some pipes; 2. a tool for making flanges." *Webster's New Twentieth Century Dictionary, Unabridged* 696 (2d ed. 1962). The specification and drawings of the '710 patent demonstrate that definition 1 most adequately represents what the inventor intended to claim in his invention. For example, Figures 1-3 illustrate a raised or projecting edge or rim. Further, the patent states "inboard side flange 40 may be integral with flat panel 36

and stiffened by bending it back upon itself. Inboard side flange 40 is preferably at about a 5 degree angle to the plane within which flat panel 36 lies." *See* '710 patent, col. 2, l. 65- col. 3, l. 2. Similarly, when describing an outboard flange the patent explains that the flange runs the length of the panel and is angled downward from the plane of the flat panel. *See id.* at col. 3, ll. 8-12. There is nothing in the patent specification to indicate that the flange is coplanar with the flat panel. Accordingly, we construe the claim term "flange" to mean a raised or projecting edge.

The remaining claim construction dispute concerns whether the flange must exist prior to installation of the fender liner. The claim language itself makes clear that the flange must exist prior to installation. The pertinent part of claim 1 states "said fender liner comprising *an elongated flat panel formed of sheet material with an inboard side flange*, *said flat panel* running substantially the length and breadth of the flat top and *suited to be installed inside the fender* along the flat top." (emphases added). This claim limitation requires "*said* flat panel" be "suited to be installed inside the fender." What panel is "said flat panel"? It is the panel that is formed of sheet material and that has an inboard side flange. Thus, by saying "*said* flat panel," the claim mandates that the panel with the inboard side flange be suited to be installed inside the fender. In other words, the panel must have the inboard side flange prior to installation (that is, without being attached to the fender). The specification and drawings of the '710 patent further support this construction. Figure 2 illustrates a liner (10) having an elongated flat panel (36) with a flange *prior* to its installation in a fender. *See* col. 2, l. 47 – col. 3, l. 13. Indeed, nothing in

the specification or the drawings suggests the flange need not exist prior to installation.[1]

Waner argues that the claim language does not require that the flange exist prior to installation. Waner contends that the "suited to be installed language" refers to the flat panel and not the inboard side flange. However, as we just explained, there is nothing in the claim language, the specification, or the drawings which suggests this interpretation. We therefore find Waner's argument unpersuasive. Accordingly, we hold that the claimed inboard side flange must exist as part of the fender liner prior to installation.

JMOL of Infringement

JMOL may be granted when "a party has been fully heard on an issue and there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue." *Thomson, S.A. v. Quixote Corp.*, 166 F.3d 1172, 1174, 49 USPQ2d 1530, 1531 (Fed. Cir. 1999) (quoting *Johns Hopkins Univ. v. Cellpro, Inc.*, 152 F.3d 1342, 1353, 47 USPQ2d 1705, 1713 (Fed. Cir. 1998)); *Jones v. TEK Indus., Inc.*, 319 F.3d 355, 358 (8th Cir. 2003). Our review of the district court's denial of Ford's motion for JMOL is *de novo*, reapplying the JMOL standard. *See id.* Under this standard of review, "we can reverse a denial of a motion for JMOL only if the jury's factual findings are not supported by substantial evidence or if the legal conclusions implied

1. We also note that while the claim language indicates the fender liner is *to be* installed, it need not be installed in a fender and therefore is a pure product claim.

from the jury's verdict cannot in law be supported by those findings." *Id.*; *see also Cybor Corp.*, 138 F.3d at 1454, 46 USPQ2d at 1172; *Warren v. Prejan*, 301 F.3d 893, 900 (8th Cir. 2002) (stating "a denial of a motion for JMOL will be reversed only when the evidence is susceptible to no reasonable interpretation supporting the verdict").

As explained above, the district court erred in its interpretation of the claim language. Under the proper claim construction, in order for Ford's fender liner to infringe, it must have an inboard side flange (a raised or projecting edge) prior to installation within the fender. Because Ford's fender liner is a single, planar sheet prior to installation, it does not have the elongated flat panel with an inboard side flange as claimed. Therefore, we conclude that no reasonable jury could have found that Ford's fender liner infringed the '710 patent. Accordingly, we reverse the district court's denial of JMOL and hold, as a matter of law, that Ford's fender liner does not infringe the '710 patent.

Unjust Enrichment

Waner sought compensation for Ford's alleged usurpment of his fender liner idea prior to the issuance of a patent. Finding that "once Waner sold the fender liners on the market, his invention was published and in the public domain," the district court held that Waner had no protectable property interest in his fender liner and granted partial summary judgment in favor of Ford on Waner's unjust enrichment/usurpment of an idea claim. *Waner v. Ford Motor*

Co., No. 98-5061-KES, Partial Summary Judgment Order at 8. More specifically, the district court found

> [t]here is no dispute that Waner offered his fender liner for sale to Ford dealers and to the public at a horse show in Springfield, Illinois. . . . Waner has not alleged that there was any type of confidentiality agreement or confidential relationship with any of the individual dealers to whom he sold the fender liners and there clearly was no confidential relationship with the general public at the horse show. Once Waner sold the fender liners on the market, his invention was published and in the public domain. His invention was no longer secret.

Id. at 7.

Absent secrecy, state law cannot create a collateral set of rights available as an adjunct or expansion to patent rights. *See Bonito Boats, Inc. v. Thundercraft Boats, Inc.*, 489 U.S. 141, 149 (1989) (stating "[o]nce an inventor has decided to lift the veil of secrecy from his work, he must choose the protection of a federal patent or the dedication of his idea to the public at large"). The Supreme Court of South Dakota[2]

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2. In its Response Brief, Waner concedes that it had not raised the issue of choice of law below. Accordingly, that issue was waived and we must apply South Dakota law. We note that the dissent cites to *B&M Die Co. v. Ford Motor Co.*, 421 N.W.2d 620, 622 (Mich. App. 1988). Were Michigan case law the applicable law here, this case could have a bearing on the result we reached. As noted, however, it is South Dakota case law that applies.

recently grappled with this issue in *Daktronics v. McAfee*, 599 N.W.2d 358 (S.D. 1999), holding "[i]deas which are not novel and 'are in the public domain may freely be used by anyone with impunity.'" *Id.* at 364 (quoting *Murray v. Nat'l Broad. Co.*, 844 F.2d 988, 993 (2d Cir. 1988)). That case, like the present case, involved an idea (a product displaying speed and type of pitch thrown for the public to view at a ballpark) that was capitalized on by a company after the company was made aware of the idea by the person who apparently thought of it first. The South Dakota Supreme Court ruled that McAfee's unjust enrichment claim failed because there was no protectible property interest in the device, ostensibly because the device was not novel and was in the public domain. *See id.* Thus, if Waner's invention was in the public domain prior to issuance of the patent, he is not protected by state law.

Waner invites us to follow *Mack v. Mack*, 613 N.W.2d 64 (S.D. 2000), and *Parker v. Western Dakota Insurers, Inc.*, 605 N.W.2d 181 (S.D. 2000), which allow recovery on unjust enrichment claims. These cases, however, are inapposite. Unlike *Daktronics*, *Mack* and *Parker* do not deal with an idea or invention. The unjust enrichment claim in Mack revolved around a partnership arrangement gone bad and the question whether one partner should receive compensation for use of his share of the property by the partnership. His property was not an idea as here, but was instead physical objects, including machinery and inventory. In *Parker*, unjust enrichment was one of the theories of recovery claimed by a former employee to collect post-employment renewal commissions from her employer. Thus, neither of these cases remotely touches on the aspect of an idea or inventive concept

which lies at the heart of the present case. Accordingly, we hold *Parker* and *Mack* to be inapplicable to this case and apply the teaching of *Daktronics* that ideas can only be protected under intellectual property law by the patent system.

Because there is no genuine issue of material fact that Waner's fender liner was introduced to and available to the public, we affirm the district court's grant of partial summary judgment on Waner's unjust enrichment claim in favor of Ford.

Attorney Fees

We review *de novo* whether the district court applied the proper legal standard under 35 U.S.C. § 285, and we review the court's factual findings, including whether the case is exceptional, for clear error. *See Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1186, 33 USPQ2d 1823, 1833 (Fed. Cir. 1995). Under 35 U.S.C. § 285, "[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party." 35 U.S.C. § 285 (2000). A "prevailing party may prove the existence of an exceptional case by showing: inequitable conduct before the PTO; litigation misconduct; vexatious, unjustified, and otherwise bad faith litigation; a frivolous suit or willful infringement." *Epcon Gas Sys., Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1034, 61 USPQ2d 1470, 1479 (Fed. Cir. 2002) (citing *Hoffmann-La Roche Inc. v. Invamed Inc.*, 213 F.3d 1359, 1365, 54 USPQ2d 1846, 1850 (Fed. Cir. 2000)). And "[l]itigation misconduct and unprofessional behavior are relevant to the award of attorney fees, and may suffice, by themselves, to make a case

exceptional." *Id.* (citing *Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1574, 38 USPQ2d 1551, 1557-58 (Fed. Cir. 1996)).

The requirements for awarding attorney fees under 35 U.S.C. § 285 are that "(1) the case must be exceptional, (2) the district court may exercise its discretion, (3) the fees must be reasonable, and (4) the fees may be awarded only to the prevailing party." *Gentry Gallery, Inc. v. Berkline Corp.*, 134 F.3d 1473, 1480, 45 USPQ2d 1498, 1504 (Fed. Cir. 1998) (quoting *Machinery Corp. of Am. v. Gullfiber AB*, 774 F.2d 467, 470, 227 USPQ 368, 371 (Fed. Cir. 1985)). Here the district court found that Ford employed a "vexatious litigation strategy" and awarded Waner attorney fees under 35 U.S.C. § 285. Given that we affirm the trial court's grant of partial summary judgment in favor of Ford on Waner's unjust enrichment claim and our holding as a matter of law that Ford's fender liners do not infringe, we must vacate the trial court's award of attorney fees, because Waner does not meet requirement (4) above. Waner is no longer the prevailing party in the issue, and, as such, he is not entitled to receive attorney fees. *See Hensley v. Eckerhart*, 461 U.S. 424, 433 & n. 7 (1933) ("[P]laintiffs may be considered 'prevailing parties' for attorney's fees purposes if they succeed on any significant issue in litigation which achieves some of the benefit the parties sought in bringing suit.").

Appendix A

CONCLUSION

For the foregoing reasons, the district court's grant of partial summary judgment in favor of Ford on Waner's unjust enrichment claim is affirmed; its award of attorney fees to Waner is reversed; and its denial of Ford's JMOL motion of noninfringement is reversed.

AFFIRMED-IN-PART and REVERSED-IN-PART

No costs.

Appendix A

NEWMAN, *Circuit Judge*, dissenting.

I respectfully part company with my colleagues on this panel as to the issues of infringement and unjust enrichment.

I

On the question of infringement, after a thorough trial the jury found infringement and awarded a 12% royalty, upon the district court's construction of the claim to mean that the flange could be made in the fender liner during installation. Although the question is close, the judge correctly construed the claim and a reasonable jury could have found it infringed. With the requisite deference to the trial court and the verdict of the jury, I would affirm the judgment. *See, e.g., Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1235, 9 USPQ2d 1913, 1919 (Fed. Cir. 1989) ("When the judgment arises from a jury verdict, the reviewing court applies the reasonable jury/substantial evidence standard. . . .")

II

Upon the panel majority's reversal of the judgment of infringement, it necessarily reaches the issue of unjust enrichment. However, the majority improperly converts the claim for unjust enrichment into one for theft of trade secrets, and then finds that Waner's proprietary design was not a trade secret. Indeed it was not, for it had been demonstrated publicly. However, it was still proprietary to Waner, and had been shown to Ford for the purpose of interesting Ford in buying it. Waner here asserts equitable rights against Ford, arising from Ford's unjust enrichment through their course of dealing.

A claim for unjust enrichment requires that one party is enriched at the expense of another and that it would be inequitable to permit the party that is enriched, through wrongdoing or breach of commercial ethics, to retain that benefit. *See, e.g., Mack v. Mack*, 613 N.W.2d 64, 69 (S.D. 2000) ("In order to establish unjust enrichment, three elements must be proven: (1) a benefit was received; (2) the recipient was cognizant of that benefit; and (3) the retention of the benefit without reimbursement would unjustly enrich the recipient."); *B & M Die Co. v. Ford Motor Co.*, 421 N.W.2d 620, 622 (Mich. App. 1988) ("The essential elements of such a claim [for unjust enrichment] are (1) receipt of a benefit by the defendant from the plaintiff, and (2) which benefit it is inequitable that the defendant retain.")[1] Under these circumstances, the plaintiff's right to compensation is based on a contract implied in law, not the infringement of intellectual property rights. *See Mack*, 613 N.W.2d at 69 ("When unjust enrichment is found, the law implies a contract, which requires the defendant to compensate the plaintiff for the value of the benefit conferred.")

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1. These actions are governed by state law, and although I have not considered whether the law of Michigan or South Dakota applies, the requirements for establishing unjust enrichment appear to be essentially the same in both states. Certainly the panel majority's assertion that Mr. Waner might have a cause of action under Michigan law, but not South Dakota law, is hard to square with its reliance on *Bonito Boats*, 489 U.S. 141, which should control equally in both states. Ford did not take this idea from "the public domain;" it took it from Mr. Waner, over a lengthy course of personal dealings that, on Mr. Waner's statement of the facts, were characterized by subterfuge and deception. South Dakota is not more tolerant of injustice than is Michigan.

Waner's complaint included a count for unjust enrichment, based on the actions of Ford in receiving his idea and his samples, telling him that they weren't interested, and then making and selling the product he offered them. It is irrelevant whether the fender liner can be classified as a trade secret, for it is undisputed that Ford's knowledge of it was only through Waner and the sample fender liners he left with them for evaluation. On the facts set forth in the complaint, the premises of a case of unjust enrichment have been made out. Thus summary judgment in favor of Ford was improperly granted. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986) ("The evidence of the nonmovant is to be believed, and all justifiable inferences are to be drawn in his favor.") (citing *Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 158-59 (1970)); *Stark v. Advanced Magnetics, Inc.*, 29 F.3d 1570, 1575-76, 31 USPQ2d 1290, 1294 (Fed. Cir. 1994) (in granting a motion for summary judgment, the non-movant's version of disputed facts must be accepted).

The rules of commerce, indeed the rule of law, are designed both to foster and to require good faith dealings. The courts are not obliged to condone facially unethical relationships by finding technicalities of law that favor the wrongdoer. *United States v. Milligan*, 17 F.3d 177, 184 (6th Cir. 1994) ("This court, however, can not condone defrauding hospitals with policies sympathetic toward the uninsured."); *Save Barton Creek Assn v. Federal Highway Admin.*, 950 F.2d 1129, 1144 (5th Cir. 1992) ("This Court does not 'condone any form of subterfuge.'"); *In re Franklin*, 922 F.2d 536, 539 (9th Cir. 1991) ("It would be wrong to apply a bar of recovery against plaintiff based upon a statute relating to a transaction that was fraudulently induced.

To do so would be to condone the fraud. The law cannot condone such a result and it doesn't."); *United States v. State of California*, 932 F.2d 1346, 1350 (9th Cir. 1991) ("At the heart of an action based on quasi-contract lies a claim of unjust enrichment and such quasi-contract liability is dictated by the needs of justice and fairness.")

An industrial society can remain healthy only with rigorous enforcement of business ethics; and indeed this is the foundation of the common law of commerce. *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 481-82 (1974) ("'The necessity of good faith and honest, fair dealing, is the very life and spirit of the commercial world.'") (quoting *National Tube Co. v. Eastern Tube Co.*, 3 Ohio C.C. (n. s.) 459, 462 (Ohio 5th Cir. 1902)); *Burten v. Milton Bradley Co.*, 763 F.2d 461, 467, 226 USPQ 605, 610 (1st Cir. 1985) ("Fundamental to this, we believe, is the expectation by the parties that, absent an explicit waiver, the exchange of ideas will take place in trust and confidence. Were this not the case, we are hard pressed to understand why experienced and informed inventors would submit their ideas for consideration and thereby waive all rights to compensation for their labor.")

The facts as set forth in the majority opinion do not reflect well on the Ford Motor Company. Mr. Waner offered to sell them his idea for fender liners; they were interested; they then told him they were not interested, and proceeded to take his idea and place its embodiment on their vehicles. These facts must be accepted as true for the purposes of summary judgment. Any exculpatory circumstances have not been developed, for the record before us shows simply that

Ford took Waner's idea for fender liners, after receiving and evaluating his sample products, and refused to pay for this benefit. If there are mitigating facts favoring Ford (for example, if Ford had already designed and was planning to introduce a similar fender liner, or if Waner had signed a disclaimer of all rights other than patent rights) they do not show on this record. It may be that there are exculpatory circumstances, but that is not the question before us, where the cause was summarily dismissed. This is not a case of simply copying an item in the public domain, as in *Bonito Boats, Inc. v. Thundercraft Boats, Inc.*, 489 U.S. 141 (1989), on which the panel majority inaptly relies.

A cause of action for unjust enrichment does not require that the thing taken was a trade secret. *See Restatement, Restitution* §1 cmt. b ("A person confers a benefit upon another if he gives to the other possession or some other interest in money, land, chattels, or chooses in action, performs services beneficial to or at the request of the other, satisfies a debt or a duty of the other, or in any way adds to the other's security or advantage.") For example, in *B & M Die Co.* the technical information upon which the unjust enrichment claim was based was not a trade secret under Michigan law, yet the trial court permitted the unjust enrichment claim to go forward and the appellate court described the two causes of action as separate and distinct. *B & M Die Co.*, 421 N.W.2d at 623 ("As Ford indicates, plaintiff's technical information was not a 'trade secret' under Michigan law. However, the jury could properly consider under a claim of unjust enrichment the value of the benefit received by Ford as a result of having this technical information.") (citing *Manos v Melton*, 100 N.W.2d 235 (Mich. 1960)).

Appendix A

The issue before us is not who would prevail when all the evidence is presented. The issue is whether Waner's complaint for unjust enrichment should be thrown out on the pleadings. The majority achieves this result by first recasting the complaint as one for theft of trade secrets, and then holding that since this idea was not guarded as a trade secret (because the fender liners were publicly demonstrated by Waner, and because he told Ford about them in order to interest Ford in buying them) Waner cannot recover on trade secret theory. On this threshold premise the majority errs, for, as I have stated, the cause of unjust enrichment is not limited to theft of a trade secret.

APPENDIX B — MEMORANDUM OPINION AND ORDER CONSTRUING CLAIM OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF SOUTH DAKOTA, WESTERN DIVISION DATED AND FILED AUGUST 30, 2000

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH DAKOTA
WESTERN DIVISION

Civ. 98-5061-KES
2000 DSD 40

ALAN WANER,

Plaintiff,

vs.

FORD MOTOR COMPANY,

Defendant.

MEMORANDUM OPINION AND ORDER CONSTRUING CLAIM

Plaintiff Alan Waner, owner of U.S. Patent No. 5,613,710, brings a patent infringement claim against defendant Ford Motor Company. A *Markman* hearing was held on August 3, 2000. The parties presented evidence and argument on claims 1 and 4 of the '710 patent.

Appendix B

The '710 patent, entitled "Dual Rear Wheel Fender Liner," was issued March 25, 1997, to plaintiff. The '710 patent relates to a fender liner for a dual-wheel fender that is strategically located in the fender to guard against star cracking of the paint on the fender.

Determination of infringement is a two-step analytic procedure, beginning with claim construction, in which the claims are first construed by the court "as a matter of law, and then are applied to the accused device, a question of fact." *Wang Labs., Inc. v. America Online, Inc.*, 197 F.3d 1377, 1380, 53 U.S.P.Q.2d 1161 (Fed. Cir. 1999) (citing *EMI Group North America, Inc. v. Intel Corp.*, 157 F.3d 887, 891, 48 U.S.P.Q.2d 1181, 1184 (Fed. Cir. 1998)).

In construing the claims, the court must first consider the intrinsic evidence, including the claims themselves, the patent specification (also referred to as the written description), and the prosecution history of the patent. *Digital Biometrics, Inc. v. Identix, Inc.*, 149 F.3d 1335, 1344, 47 U.S.P.Q.2d 1418 (Fed. Cir. 1998); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979, 34 U.S.P.Q.2d 1321 (Fed. Cir. 1995), *aff'd*, 517 U.S. 370, 116 S. Ct. 1384, 134 L. Ed. 2d 577, 38 U.S.P.Q.2d 1461 (1996). The actual words of the claim are controlling, the specification is secondary, and the prosecution history is tertiary. *See Digital Biometrics, Inc.*, 149 F.3d at 1344.

Claim construction begins with the language of the claims, which defines the breadth and depth and bounds of the claims. *York Prods., Inc. v. Central Tractor Farm & Family Ctr.*, 99 F.3d 1568, 1572, 40 U.S.P.Q.2d 1619 (Fed.

Cir. 1996). The general rule is that terms are to be given their ordinary and accustomed meaning unless it is apparent that the inventor intended to use them differently. *Johnson Worldwide Assoc., Inc. v. Zebco Corp.*, 175 F.3d 985, 989, 50 U.S.P.Q.2d 1607 (Fed. Cir. 1999); *National Recovery Tech., Inc. v. Magnetic Separation Sys., Inc.*, 166 F.3d 1190, 49 U.S.P.Q.2d 1671 (Fed. Cir. 1999).

Two general rules of claim construction result in presumptions regarding claim breadth. The first is that a claim should be interpreted so as to preserve its validity. *See Modine Mfg. Co. v. United States Int'l Trade Comm'n*, 75 F.3d 1545, 37 U.S.P.Q.2d 1609 (Fed. Cir. 1996). However, this presumption does not allow the court to engage in the wholesale rewriting of claims. *See Rhine v. Casio, Inc.*, 183 F.3d 1342, 51 U.S.P.Q.2d 1377 (Fed. Cir. 1999). The second presumption is that if a claim is subject to two viable alternative interpretations, the narrower one should apply. *See Athletic Alternatives, Inc. v. Prince Mfg., Inc.*, 73 F.3d 1573, 37 U.S.P.Q.2d 1365 (Fed. Cir. 1996). This rule has been explained as a penalty for unclear drafting, as well as a reasonable "tiebreaker" when viewed from the perspective of public policy. *Id.*

If claim language is not dispositive, the court considers the specification of the '710 patent to determine if "the inventor has used any terms in a manner inconsistent with their ordinary meaning." *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 39 U.S.P.Q.2d 1573 (Fed. Cir. 1996). The court "may look to the written description to define a term already in a claim limitation, for a claim must be read in view of the specification of which it is a part."

Renishaw PLC v. MaMoss Societa' per Azioni, 158 F.3d 1243, 1248, 48 U.S.P.Q.2d 1117 (Fed. Cir. 1998); *Markman*, 52 F.3d at 979. "However, the resulting claim interpretation must, in the end, accord with the words chosen by the patentee to stake out the boundary of the claimed property." *Renishaw*, 158 F.3d at 1248; *Intervet America, Inc. v. Kee-Vet Labs., Inc.*, 887 F.2d 1050, 1053, 12 U.S.P.Q.2d 1474 (Fed. Cir. 1989) ("Limitations appearing in the specification will not [normally] be read into claims . . . [i]nterpreting what is meant by a word in a claim is not to be confused with adding an extraneous limitation appearing in the specification, which is improper.") "[T]he specification is always highly relevant to the claim construction analysis" and "must be clear and complete enough to enable those of ordinary skill in the art to make and use [the invention]." *Id.* The specification is the "single best guide to the meaning of a disputed term," and it is frequently dispositive. *Id.*

Finally, the court should also consider the patent's prosecution history in construing the claims. *Spectrum Int'l, Inc. v. Sterilite Corp.*, 164 F.3d 1372, 1378, 49 U.S.P.Q.2d 1065 (Fed. Cir. 1998). "The prosecution history gives insight into what the applicant originally claimed as the invention, and often what the applicant gave up in order to meet the Examiner's objection." *Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.3d 973, 977, 52 U.S.P.Q.2d 1109 (Fed. Cir. 1999) (quoting *Lemelson v. General Mills. Inc.*, 968 F.2d 1202, 1206, 23 U.S.P.Q.2d 1284, 1288 (Fed. Cir. 1992)). It also "limits the interpretation of claims so as to exclude any interpretation that may have been disclaimed or disavowed during the prosecution in order to obtain claim allowance." *Elkay Mfg.*, 192 F.3d at 977 (quoting *J.T. Eaton & Co. v.*

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Atlantic Paste & Glue Co., 106 F.3d 1563, 1565, 41 U.S.P.Q.2d 1641, 1642 (Fed. Cir. 1997)). The prosecution history cannot be used, however, to enlarge, diminish, or vary the limitations in the claims. *Markman*, 52 F.3d at 980.

In construing the claim, the court may also consider extrinsic evidence such as expert and inventor testimony, dictionaries, learned treatises, and prior art not cited in the prosecution history. *Zodiac Pool Care, Inc. v. Hoffinger Indus. Inc.*, 206 F.3d 1408, 1414, 54 U.S.P.Q.2d 1141 (Fed. Cir. 2000). Extrinsic evidence should be considered only "when the intrinsic evidence is insufficient to establish the clear meaning of the asserted claim." *Id.*

The claims at issue, with the disputed terms underlined and letters[1] inserted to correspond with the joint claim statement, are as follows:

Claim 1:

> A fender liner for a dual wheel fender, said fender formed of epoxy-fiberglass and having a substantially flat top, an inboard and an outboard side, said fender mounted on angled brackets along the top of the fender on the inboard side of the fender to a rear quarter panel of a vehicle with bolts through the angled brackets, said fender liner comprising

1. Letters [a] through [c] are omitted per defendant's decision to no longer seek an interpretation of terms in the preamble. See Brief in Support of Defendant's Proposed Claim Construction, page 4, note 1.

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an elongated flat panel made of sheet material with **[d]** *an inboard side flange*, said flat panel **[e]** *running substantially the length and breadth of the flat top, and suited to be installed inside the fender along the flat top,*

said fender liner **[f]** *adapted to be attached to the angled brackets* along the inboard side flange of the fender liner [g] *by the bolts attaching the fender to the vehicle along the top of the fender,*

whereby the underside of the flat top of the fender is guarded against damage by rocks and other objects which may be hurled up against the flat top of the fender.

Claim 4:

A fender liner for a dual wheel fender, said fender formed of epoxy-fiberglass and having a substantially flat top, an inboard and an outboard side, said fender mounted on angled brackets along the top of the fender on the inboard side of the fender to a rear quarter panel of a vehicle with bolts through the angled brackets, said fender liner comprising

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an elongated flat panel made of sheet material with *an inboard side flange* and *an outboard side flange* running the length of the panel, *said flat panel running substantially the length and breadth of the flat top and suited to be installed inside the fender along the flat top,*

said fender liner *adapted to be attached to the angled brackets* along the inboard side flange of the fender liner *by the bolts attaching the fender to the vehicle along the top of the fender* said *outboard side flange angled downwardly a short distance* and suited to be installed inside the fender along the outboard side of the fender

whereby the underside of the flat top of the fender is guarded against damage by rocks and other objects which may be hurled up against the flat top of the fender.

Claims 1 and 4 are identical except that claim 4 adds the pertinent language "and an outboard side flange running the length of the panel" and "outboard side flange angled downwardly a short distance." Although the parties agree that the terms common to claims 1 and 4 are to be given the same interpretation in each claim, separate claims are presumed to indicate that the claims have different meanings and scope. *Karlin Tech. Inc. v. Surgical Dynamics, Inc.*, 177 F.3d 968, 971-72, 50 U.S.P.Q.2d 1465 (Fed. Cir. 1999).

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CONSTRUCTION OF CLAIM 1

The first phrase requiring interpretation is "an inboard side flange," labeled [d] in the joint claim construction statement. Defendant asks the court to construe the '710 patent to require an inboard side flange and contends that the court should interpret "flange" to mean one surface of an object at a distinct angle to another surface since the patent gives no special meaning to the word "flange." Defendant argues that the liner must have a large flat panel bordered by at least one distinct flange and that the flange must be present in the liner before installation on the fender. Defendant indicates that the large flat panel (36) and the flanges (40 and 46) are clearly shown in Figures 1 and 2 of the patent and that the specification, in column 3, lines 1-2 and 9-13, confirms the description of the flanges. In addition, defendant suggests that the specification indicates that "the inboard side flange 'is preferably in about a 5-degree angle to the plane within which flat panel 36 lies' and that the outward side flange is 'angled downwardly a short distance along outboard side 22 of fender 16, most preferably at an angle of about 35 degrees to the plane of the flat panel [36].'" Brief in Support of Defendant's Proposed Claim Construction, p. 12.

Plaintiff acknowledges that claims 1 and 4 of the patent literally require an inboard side flange. However, plaintiff asks the court to construe the '710 patent so as to not require that a flange exist prior to installation of the liner, arguing that the liner is "adapted to be attached" to a fender and not used alone. Plaintiff contends that the flange may be formed upon installation. In addition, plaintiff urges the court to give "flange" its ordinary and customary meaning.

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The court must begin with the language of the claim itself. See *Johnson Worldwide*, 175 F.3d at 989. There is a "heavy presumption" that courts "give full effect to the ordinary and accustomed meaning of claim terms" except where a different meaning is clearly set forth in the specification or where the accustomed meaning would deprive the claim of clarity. *Id.* at 989-90; *Renishaw PLC v. Marposs Societa per Azioni*, 158 F.3d 1243, 1249 (Fed. Cir. 1998). Furthermore, "a technical term used in a patent is interpreted as having the meaning that it would be given by persons experienced in the field of the invention, unless it is apparent from the patent and the prosecution history that the inventor used the term with a different meaning." *Toro v. White Consol. Indus., Inc.*, 199 F.3d 1295, 53 U.S.P.Q.2d 1065 (Fed. Cir. 1999) (quoting *Hoechst Celanese Corp. v. BP Chem, Ltd.*, 78 F.3d 1575, 1578, 38 U.S.P.Q.2d 1126 (Fed. Cir. 1996)). However, a patentee can act as his own lexicographer to specifically define terms of a claim contrary to their ordinary meaning if the written description clearly redefines a claim term "so as to put a reasonable competitor or one reasonably skilled in the art on notice that the patentee intended to so redefine that claim term." *Process Control Corp. v. HydReclaim Corp.*, 190 F.3d 1350, 1357, 52 U.S.P.Q.2d 1029 (Fed. Cir. 1999). Absent an express intent to impart a novel meaning, claim terms take on their ordinary meaning. *See Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1249, 48 U.S.P.Q.2d 1117(Fed. Cir.1998).

The day after the *Markman* hearing, defendant forwarded the *Toro* case to the court, indicating it was in response to plaintiff's "new reliance on dictionary definitions for the word 'flange.'" The *Toro* court indicates that in patent claim

construction, dictionaries are "less useful" and that "[d]etermining the limits of a patent claim requires understanding its terms in the context in which they were used by the inventor, considered by the examiner, and understood in the field of the invention." *Toro*, 199 F.3d at 1299. Numerous Federal Circuit Court of Appeals cases decided after the *Toro* decision, however, reaffirm that claim terms receive their ordinary and customary meaning unless the patentee assigns a special meaning. *See Optical Disc. Corp. v. Del Mar Avionics*, 208 F.3d 1324, 1334, 54 U.S.P.Q.2d 1289 (Fed. Cir. 2000); *Cortland Line Co. v. Orvis Co.*, 203 F.3d 1351, 1356 (Fed. Cir. 2000); *Eisenberg v. Alimed, Inc.*, 2000 WL 1119743 (Fed. Cir 2000); *Schering Corp. v. Amgen, Inc.*, 2000 WL 1055975, 55 U.S.P.Q.2d 1650 (Fed. Cir. 2000); *Tate Access Floors, Inc. v. Maxcess Tech., Inc.*, 2000 WL 1055981, 55 U.S.P.Q.2d 1513 (Fed. Cir. 2000); *Northern Telecom Ltd. v. Samsung Elecs. Co.*, 215 F.3d 1281, 55 U.S.P.Q.2d 1065 (Fed. Cir. 2000); *American Imaging Servs., Inc. v. Intergraph Corp.*, 2000 WL 772725 (Fed. Cir. 2000); *IMS Tech., Inc. v. Haas Automation, Inc.*, 206 F.3d 1422, 54 U.S.P.Q.2d 1129 (Fed. Cir. 2000); *Stairmaster Sports/Medical Prods. Inc. v. Groupe Procycle, Inc.*, 2000 WL 286066 (Fed. Cir. 2000); *Mitek Surgical Products, Inc. v. Arthrex, Inc.*, 2000 WL 217637 (Fed. Cir. 2000). In several cases, the court specifically relies on Webster's dictionary definition in claim construction. *See Optical*, 208 F.3d at 1335; (quoting *Vitonics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582, 39 U.S.P.Q.2d 1573, 1576 (Fed. Cir. 1996). ("Although . . . dictionaries fall within the category of extrinsic evidence, as they do not form a part of an integrated patent document, they are worthy of special note. Judges . . . may . . . rely on dictionary definitions when construing claim

terms, so long as the dictionary definition does not contradict any definition found in or ascertained by a reading of the patent documents."); *Cortland*, 203 F.3d at 1356. Few cases limit the court to giving claim terms their ordinary and accustomed meaning "as understood by one of ordinary skill in the art." *See Hockerson-Halberstadt, Inc. v. Avia Group Int'l, Inc.*, 2000 WL 1035753, 55 U.S.P.Q.2d 1487 (Fed. Cir. 2000); *Elekta Instr. S.A. v. O.U.R. Scientific Int'l, Inc.*, 214 F.3d 1302, 54 U.S.P.Q.2d 1910 (Fed. Cir. 2000).

At the hearing, the parties presented extrinsic evidence regarding the meaning of "flange." Dr. Alan McDonald testified as an expert on behalf of plaintiff. Dr. McDonald has a Ph.D. degree in mechanical engineering, is a registered Professional Engineer, and taught undergraduate courses in the field of mechanical engineering at Purdue University from 1967 through 1999. Dr. McDonald testified that a flange "is the portion of a structure to either stiffen or attach it to another structure, not necessarily requiring angles." Plaintiff also introduced the following definitions of "flange": "[A] rib or rim for strength, for guiding, or for attachment to another object." MERRIAM-WEBSTER'S COLLEGIATE ONLINE DICTIONARY. "A projecting rim or edge of a part, usually narrow and of approximately constant width for stiffening or fastening." INDUSTRIAL ENGINEERING TERMINOLOGY (revised 1989). "A projecting flat rim, collar, or rib, used to strengthen an object, to guide it, to keep it in place, to facilitate its attachment to another object, or for other purposes." THE OXFORD ENGLISH DICTIONARY.

David Jeshurun testified on behalf of defendant. Mr. Jeshurun has masters degrees in business administration

and science and mechanical engineering, and has been employed by defendant since 1978 in various positions, such as a body engineering launch leader, body structures supervisor, pre-program design supervisor, value engineering team leader, product design engineer, product change analyst, and product development engineer. Mr. Jeshurun testified that a flange is a surface angled at a distinct angle with a flat surface, that it has a "definite change in the surface" at the edge of the panel, that it has a "consistent height," and has a "clearly identifiable" crease or break-line.

Neither party argued that "flange" is a technical term. Neither the patent, the specification, nor the prosecution history indicate that "an inboard side flange" should be given anything other than its ordinary meaning. Therefore, the court finds that the intrinsic evidence is insufficient to establish clear meaning of the asserted claim and will consider the extrinsic evidence presented. In addition, the court assumes that in proffering the *Toro* case, defendant would argue that the court must give the term its ordinary meaning "as understood by one of ordinary skill in the art." At the hearing, Dr. McDonald testified that although he had more than ordinary skill in the art, his testimony would be from the viewpoint of one of ordinary skill in the art. In his opinion, a flange is the portion of a structure to either stiffen or attach it to another structure, not necessarily requiring angles. The dictionary definitions admitted into evidence, including the Industrial Engineering Terminology definition which the court also finds is from the viewpoint of one of ordinary skill in the art, support Dr. McDonald's definition. Mr. Jeshurun's definition, although considered from the viewpoint of one of ordinary skill in the art, is not supported

by any additional evidence offered by defendant, nor is it consistent with any other evidence presented. After considering the evidence presented at the *Markman* hearing, the patent document in conjunction with the patent specification and the prosecution history, the court finds that "flange," given its ordinary meaning, means the portion of a structure to either stiffen or attach it to another structure, not requiring the five-degree angle as described in the preferred embodiment, and not necessarily requiring any angles. In addition, the court finds that nothing in the claim, the specification, or the prosecution history requires that the flange exist prior to installation of the liner. In claim 4 the liner clearly must be considered after installation (see discussion below), which is another indication that in construing claim 1 the flange need only exist after installation.

The parties also disagree regarding the meaning of the word "inboard." No evidence was presented on the definition of "inboard" at the *Markman* hearing. The court finds that the intrinsic evidence is insufficient to establish clear meaning of the asserted claim and will consider extrinsic evidence. Therefore, the court finds that "inboard" means "toward the center line of a vehicle." MERRIAM-WEBSTER'S COLLEGIATE DICTIONARY 586 (10th ed. 1999).

The second phrase, labeled as [e], requiring interpretation is "running substantially the length and breadth of the flat top and suited to be installed inside the fender along the flat top." Defendant contends that this phrase is a limitation placed upon the liner so that the liner, as patented, only covers and protects the top of the fender. Defendant indicates that

plaintiff made it clear in the specification that front and rear liners are undesirable for plaintiff's purposes and suggests that the court's claim construction must so reflect.

Plaintiff contends that the liner is suited to be installed inside the fender along the flat top, but need not be limited thereto and that the claim should not be narrowed by defendant's suggested limitation. The court agrees, finding no such limitation in the claim itself.

The third phrase, labeled as [f], requiring interpretation is "adapted to be attached to the angled brackets." Defendant argues that it is critical that prior to installation, the liner must have some type of adaptations, such as dimples, for attachment to angled brackets and that the adaptations must be present before installation of the liner in a fender.

Plaintiff argues that defendant is lifting a specific detailed component of the preferred embodiment, "dimples," and improperly inserting it into the broad claims 1 and 4. Plaintiff contends that there is a factual dispute, not a legal dispute, as to whether Ford's liner is adapted to be attached to the angled brackets. Dr. McDonald testified that "adapted to be attached" means the liner is designed to be adapted to the fender and that no additional physical structures are required. Defendant argues that "adapted to be attached to the angled brackets" must be construed to require a formed adaptation on the liner itself to accommodate the brackets, such as the dimples. Neither party offered a definition of "adapted" without utilizing "adapt," "adapted" or "adaptation." Furthermore, "adapted" has not been specifically defined by plaintiff in the patent, nor do the specification or prosecution

history establish clear meaning of "adapted." Therefore, the court will consider extrinsic evidence and assign "adapted" its ordinary meaning which is "to make fit, often by modification." MERRIAM-WEBSTER'S COLLEGIATE DICTIONARY 13 (10th ed.1999).

In addition, the court finds that claims 1 and 4 do not require "dimples" as the method for adaptation for attachment as suggested in the preferred embodiment and in claim 6. The claims of a patent are not "limited by preferred embodiments." *CVI/Beta Ventures v. Tura LP*, 112 F.3d 1146, 1158, 42 U.S.P.Q.2d 1577 (Fed. Cir. 1997), *cert. denied*, 522 U.S. 1109, 118 S. Ct. 1039, 140 L. Ed. 2d 105 (1998). Moreover, "[t]hat claims are interpreted in light of the specification does not mean that everything expressed in the specification must be read into all the claims." *Raytheon Co. v. Roper Corp.*, 724 F.2d 951, 957, 220 U.S.P.Q. 592 (Fed. Cir. 1983). On the contrary, the specification must be sufficiently explicit and complete to enable one skilled in the art to practice the invention, while a claim defines only that which the patentee regards as his invention. *Environmental Designs, Ltd. v. Union Oil Co. of California*, 713 F.2d 693, 699, 218 U.S.P.Q. 865 (Fed. Cir. 1983). *See also* 35 U.S.C. § 112. The claim, not the specification, measures the invention. *Id.* Furthermore, the doctrine of claim differentiation also supports a construction of "adapted to be attached to the angled brackets" that is not limited to the ribs or "dimples" as described in claim 6 and in the preferred embodiment. "This doctrine, based on the common sense notion that different words or phrases used in separate claims are presumed to indicate that the claims have different meaning and scope." *Karlin Tech., Inc. v. Surgical Dynamics*,

Inc., 177 F.3d 968 (Fed. Cir. 1999) (citing *Comark Comm., Inc. v. Harris Corp.*, 156 F.3d 1182, 1187, 48 U.S.P.Q.2d 1001, 1005 (Fed. Cir. 1998)).

The fourth phrase, labeled as [g], requiring interpretation is "by the bolts attaching the fender to the vehicle along the top of the fender." Defendant urges the court to construe this phrase to mean that the same bolts that attach the top of the fender to the truck must be used to attach the liner to the fender.

Plaintiff argues that he does not claim the bolts and that the fender liner must only be adapted to be attached by the bolts. Plaintiff indicates that defendant is seeking to add a limitation that is not present in the claim. The court finds that the liner must only be adapted to be attached by the bolts.

CONSTRUCTION OF CLAIM 4

Claims 1 and 4 are identical except that claim 4 adds the pertinent language "and an outboard side flange running the length of the panel" and "outboard side flange angled downwardly a short distance." The parties agree that the terms common to claims 1 and 4 are to be given the same interpretation in each claim. Therefore, the court will only construe the remaining phrase, labeled [i].

The additional phrase in claim 4 requiring interpretation, labeled as [i], is "outboard side flange angled downwardly a short distance." Plaintiff contends that there is a factual dispute as to whether Ford's liner has the claimed flange, but that it is a factual issue of infringement. Defendant argues

that prior to installation, the liner must have an outboard side flange that is angled from the body of the liner.

The court finds that "flange" will be given the same meaning as was given to it in claim 1, that is "the portion of a structure to either stiffen or attach it to another structure," not requiring the five-degree angle as described in the preferred embodiment, and not necessarily requiring any angles. Claim 4 specifically includes the language "angled downwardly," however, and therefore, the court finds that the flange must exhibit some downward angle. Prior to installation it is impossible to determine whether the angle of the flange is upward or downward. Therefore, the court finds that the downward angle is required only after installation of the liner.

PROSECUTION HISTORY

The remaining piece of evidence to consider is the prosecution history. *Amhil Enterprises Ltd. v. Wawa, Inc.*, 81 F.3d 1554, 1559-60, 38 U.S.P.Q.2d 1471 (Fed. Cir. 1996). "Although the prosecution history can and should be used to understand the language used in the claims, it too cannot 'enlarge, diminish, or vary' the limitations in the claims." *Markman*, 52 F.3d at 980 (quoting *Goodyear Dental Vulcanite Co. v. Davis*, 102 U.S. 222, 227, 26 L. Ed. 149 (1880); *Intervet Am., Inc. v. Kee-Vet Labs., Inc.*, 887 F.2d 1050, 1054 (Fed. Cir. 1989). "[T]he prosecution history or file wrapper limits the interpretation of claims so as to exclude any interpretation that may have been disclaimed during prosecution in order to obtain claim allowance." *J.T. Eaton & Co. v. Atlantic Paste & Glue Co.*, 106 F.3d 1563,

1565, 41 USPQ2d 1641, 1642 (Fed. Cir. 1997). "Claims may not be construed one way in order to obtain their allowance and in a different way against accused infringers." *Spectrum Int'l, Inc. v. Sterilite Corp.*, 164 F.3d at 1378 (quoting *Southwall Techs. Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1576, 34 U.S.P.Q.2d 1673 (Fed. Cir. 1995)). Defendant asserts that the prosecution history of the patent shows that Waner limited his claims to an uninstalled liner. Plaintiff contends that his invention is only the fender liner, but that it does not mean that the flanges cannot be formed upon installation.

A review of the prosecution history of the '710 patent reveals that the U.S. Patent and Trademark Office initially rejected claims 1 through 10 of plaintiff's first application for a patent as being indefinite for failing to particularly point out and distinctly claim the subject matter which plaintiff regarded as the invention. Specifically, in claims 1 and 4, the claims at issue, the examiner found the scope of the claim to be confusing as to whether the combination of the fender and fender liner or subcombination fender liner was intended. To overcome this rejection, plaintiff clarified that it is the fender liner, not the liner and fender that is his invention.

Plaintiff also amended claims 1 and 4 to include "mounted on angled brackets along the top of the fender on the inboard side of the fender to a rear quarter panel of" and "through the angled brackets. . . ." Plaintiff also changed the phrase "making attachment" to "mounted . . . to a rear quarter panel of a vehicle." The amendments added to the invention the mounting of the liner to the angled brackets. Plaintiff distinguished his liner from the Fuchs and Whitton patents cited by the examiner by indicating that neither the Fuchs

nor Whitton patents attached with angled brackets and neither attached outside of the normal wheel well. This clarification resulted in the allowance of the claims. Furthermore, because plaintiff inserted the language "mounted on angle brackets" and "mounted . . . to a rear quarter panel," it is clear that the fender must be mounted, thus the flange need only exist after installation. Therefore, the court finds that the liner must attach to the angled brackets of the fender and that the fender must be viewed after installation.

CONCLUSION

Based upon the claims, the specification language and the prosecution history, the Waner patent is construed as follows with regard to claims 1 and 4:

1. The patent is not limited to the liners as it appears uninstalled.

2. The patent does not require a flange to be formed prior to installation of the liner.

3. The patent does not require that the flange form a five-degree angle when installed.

4. The patent does not limit the fender liner to the flat top of the fender.

5. The patent does not require, prior to installation, some type of adaption such as dimples.

6. The patent does not require that the liner be attached by the same bolts that attach the top of the fender to the truck.

7. The patent does require that the liner be adapted to be attached by the bolts.

8. The patent does require the fender liner to be attached to the angled brackets.

The patent is construed as follows with regard to claim 4:

1. The patent does require that the outboard side flange must exhibit some downward angle, but the angle is required only after installation of the liner.

The court determines this as a matter of law. This ruling is binding on subsequent proceedings in this lawsuit consistent with the holding in *Markman*, 517 U.S. at 370.

Accordingly, it is hereby

ORDERED that expert depositions must be completed on or before September 29, 2000.

IT IS FURTHER ORDERED that any summary judgment motion must be filed on or before October 27, 2000.

IT IS FURTHER ORDERED that the non-moving party to the summary judgment motion shall respond on or before November 24, 2000.

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IT IS FURTHER ORDERED that any reply must be filed on or before December 4, 2000.

Dated August 30, 2000.

BY THE COURT:

s/ Karen E. Schreier
KAREN E. SCHREIER
UNITED STATES DISTRICT JUDGE

APPENDIX C — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DENYING PETITION FOR REHEARING DATED AND FILED JULY 11, 2003

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

02-1184, -1185

ALAN WANER,

Plaintiff-Cross Appellant,

v.

FORD MOTOR COMPANY,

Defendant-Appellant.

ORDER

A combined petition for panel rehearing and for rehearing en banc having been filed by the CROSS-APPELLANT, and the petition for rehearing having been referred to the panel that heard the appeal, and thereafter the petition for rehearing en banc having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for panel rehearing be, and the same hereby is, DENIED and it is further

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ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED.

The mandate of the court will issue on July 18, 2003.

FOR THE COURT,

s/ Jan Horbaly
Jan Horbaly
Clerk

Dated: July 11, 2003

APPENDIX D — JURY INSTRUCTION: INFRINGEMENT UNDER THE DOCTRINE OF EQUIVALENTS

INSTRUCTION NO. *14*

INFRINGEMENT UNDER THE DOCTRINE OF EQUIVALENTS

If you decide that Ford's fender liner does not literally infringe an asserted patent claim, you must then decide whether that fender liner infringes the asserted claim under what is called the "doctrine of equivalents."

Under the doctrine of equivalents, the fender liner can infringe an asserted patent claim if it includes parts that are equivalent to the elements of the claim. If the fender liner is missing an identical or equivalent part to even one element of the asserted patent claim, the fender liner cannot infringe the claim under the doctrine of equivalents. Thus, in making your decision under the doctrine of equivalents, you must look at each individual element of the asserted patent claim and decide whether the fender liner has an identical or equivalent part to that individual claim element.

A part of a product is equivalent to an element of an asserted claim if the differences between the part and the element would be considered not substantial by a person of ordinary skill in the field at the time of the alleged infringement.

One way to decide whether any difference between an element of an asserted claim and a part of the fender liner is not substantial is to consider whether, as of the time of the alleged infringement, the part of the fender liner performed

substantially the same function in substantially the same way to achieve substantially the same result as the element in the patent claim.

In deciding whether any difference between a claim element and the Ford fender liner is not substantial, you may consider whether, at the time of the alleged infringement, persons of ordinary skill in the field would have known of the interchangeability of the part with the claimed element. The known interchangeability between the claim element and the part of the fender liner is not necessary to find infringement under the doctrine of equivalents. Known interchangeability, however, may support a conclusion that the difference between the part in the fender liner and the claim element is not substantial. The fact that a part of the fender liner performs the same function as the claim element is not, by itself, sufficient to demonstrate known interchangeability.

Application of the doctrine of equivalents is the exception, not the rule. Patent claims must give the public fair notice of what was patented, so others can avoid infringing the patent by designing around the claims. On the other hand, the patent holder should not be deprived of the benefits of its patent by others who use the essence of an invention while barely avoiding the literal language of the patent claims.

You may not use the doctrine of equivalents to find infringement if you find that Ford's fender liner is the same as what was in the prior art before the application for the '710 patent or what would have been obvious to persons of

ordinary skill in the field in light of what was in the prior art. A patent holder may not obtain, under the doctrine of equivalents, protection that it could not have lawfully obtained from the Patent and Trademark Office. Waner must prove to you that what he attempts to cover under the doctrine of equivalents was not in or would not have been obvious from the prior art.